

# Case Study: Saint Thomas Health

## Standardizes and Streamlines Label Purchasing with



### The Challenge

Like many healthcare organizations, Saint Thomas Health, a family of five hospitals serving Middle Tennessee, lacked a centralized, streamlined purchasing program for labels. Numerous departments separately managed their own vendor relationships, purchasing custom and stock labels on demand by roll, sheet, or pallet. "Most organizations have no idea what they are spending on labels," said Roger Larkin, Director of Purchasing at Saint Thomas Health. "They are much more worried about the high dollar items because those numbers stand out. At Saint Thomas, we were guilty of the same thing."

Saint Thomas Health needed a clear understanding of the type and quantity of labels purchased, cost of total spend, and a process for consolidating and standardizing purchases across the organization. The hospital turned to the ValuePlus® Standardization Service Program from PDC Healthcare, the leading supplier of patient ID wristbands and labels. "PDC Healthcare was the first company that was willing to help us go department-by-department to create an audit report, which ended up saving us months of time," said Larkin.



### The Audit and Analysis

Working closely with Saint Thomas Health, PDC Healthcare's ValuePlus® Team conducted an organization-wide label audit, identifying stocking levels and products ready for standardization, while documenting the types and volumes of labels currently used.

It was discovered that Saint Thomas was using more than 800 labels from up to 20 different vendors. Through its decentralized purchasing process, separate departments dealt with dozens of suppliers

to order same or similar products. Labels were ordered in quantities by the roll and by pallet, some costing \$1 per roll, others \$3 per roll, leading to wasted expenses.

By partnering with PDC Healthcare as its preferred vendor, Saint Thomas

was able to greatly reduce vendors and standardize its label purchases, resulting in **22% annual savings**. As a result, the organization has **saved more than \$200,000** over a four-year span!

**22% = \$200,000**

Realized Savings

Total Savings Over 4 Years



Where positive identification  
meets safe, efficient patient care.

## Consolidation Leads to Multiple Benefits

In addition to cost savings, the product and vendor consolidation improved efficiencies and streamlined operations, saving time and labor. With a more centralized purchasing process, staff no longer issues multiple purchase orders for the same labels to the same or multiple vendors. It now uses a more streamlined and user-friendly database, no longer convoluted with hundreds of duplicate and irrelevant SKUs.

"PDC Healthcare provided documentation that gave us a clear picture of everything

that we were buying, proving that we were unnecessarily spending tens of thousands of dollars on duplicate and custom labels," said Larkin. "Not only do we save money across the board on labels, we also have a much more efficient, streamlined process that eliminates congestion, random vendors and ordering. On our own, we would probably still be working on the labels inventory. In partnering with PDC Healthcare, not a whole lot needs to be done to keep our system running efficiently and cost-effectively."

"Typically, when you standardize, you can expect up to 10 percent savings," Larkin added. "The actual savings was better than expected, and when you add the level of support we've received from PDC Healthcare, reality has truly exceeded expectations."

## Building on the Benefits of ValuePlus®

Achieving standardization across your entire supply chain is no easy feat. As you partner, PDC Healthcare will guide you through a seamless, integrated procurement process to reduce your supply costs and purchasing volumes.

### Your organization will benefit by:

- Partnering with a single-source vendor
- Reducing the number of overall SKUs
- Eliminating redundancy in stock numbers and ordering
- Decreasing associated costs from processing, tracking, warehousing, and freight
- Increasing patient safety by organization-wide standardization
- Gaining compliance with patient safety regulations



Saint Thomas Health is the leading faith-based health care system in Tennessee and is a part of Ascension Health, the largest not-for-profit health care system in the United States. Saint Thomas Health is committed to healing and dedicated to service, especially to persons who are poor or needy, reflecting the spiritual core of our mission, vision and values. Its family of five hospitals includes Saint Thomas West Hospital, Saint Thomas Midtown Hospital and Saint Thomas Hospital for Spinal Surgery in Nashville; Saint Thomas Rutherford Hospital in Murfreesboro and Saint Thomas Hickman Hospital in Centerville.

Discover the benefits of ValuePlus®. Contact Us Today at 800.435.4242.

The ValuePlus® name and branding replaces the former PowerPlus name for the company's standardization and customization service.

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Where positive identification  
meets safe, efficient patient care.